

FAS

Field Advisory Services

FASTRACK

Defense Civilian Personnel Management Service

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The Office of Personnel Management (OPM) announced the revision of the SF 1152. The revision allows users to complete the form on the web and clarifies the language on the form. Previous editions should not be used. The form is being formatted for web use at this time and will be available on OPM's website at <http://www.opm.gov/forms> in the near future.

TSP Catch-Up Contributions

On November 27, 2002, the President signed H.R. 3340 into law (Public Law 107-304), allowing employees age 50 or over to make additional contributions to their Thrift Savings Plan (TSP) accounts. Under Public Law 107-304, both civilian employees and military members age 50 or older, will be able to deposit up to an additional \$2,000 into their TSP accounts in 2003. This contribution is over and above the regular percentage of salary or annual dollar amount limits. For 2003, the limits are 13 percent of basic pay for employees under the Federal Employees Retirement System and eight percent for employees under the Civil Service Retirement System. The annual contribution for both categories is capped at \$12,000. The maximum catch-up contribution amount will increase to \$3,000 in 2004, \$4,000 in 2005, and \$5,000 for 2006. After 2006, the \$5,000 amount will be adjusted based on the inflation rate.

The Federal Retirement Thrift Investment Board expects that employees will be able to make the additional contributions when the TSP open season starts April 15, 2003. By that time, it is expected the Board will have issued regulations, and both the Board and the Federal agencies will have made necessary system changes to accommodate catch-up contributions.



Service Credit and Voluntary Contribution Interest Rate

The Treasury has announced that the calendar year 2003 interest rate applicable to post-1956 military service credit accounts is five percent (5%). This rate will also be applied to civilian service credit and voluntary contribution accounts. (See OPM BAL #02-319 for more details)

Reemployed Annuitants – COLA Effect

The 2003 cost-of-living adjustment (COLA) for both CSRS and FERS retirees is 1.4%. The COLA was effective December 1, 2002, and will be paid in the January 2003 annuity payments. For reemployed annuitants whose salaries are reduced by the amount of their annuity, the salary reduction is increased by the COLA amount.

The new monthly salary reduction can be computed by multiplying the old reduction by 1.4%, and then rounding to the next lowest dollar. The adjustment must be at least one dollar.

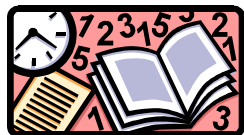
The new rate may also be obtained by calling the Retirement Information Office at (888) 767-6738 (if in the Washington, DC calling area, (202) 606-0500), or by writing to OPM by email at retire@opm.gov, or regular mail to:

U.S. Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017-0045

Social Security and Medicare Changes for 2003 (chart on page 10)

2003 Training Courses Offered

The four-day Retirement Systems and Benefits Programs (RSBP) is ideal for new



employee relations specialists or anyone having responsibility for counseling employees or processing

benefits claims. It provides an overview of the following topics:

- Federal Employees Health Benefits (FEHB)
- Federal Employees' Group Life Insurance (FGLI)
- Thrift Savings Plan (TSP)
- Federal Employees Retirement System (FERS)
- Civil Service Retirement System (CSRS)
- Retirement Coverage Determinations

This course will be held in Arlington, VA on:

Apr 7 – 11, 2003 (see note below)
Jul 14 – 18, 2003
Sep 15 - 19, 2003

NOTE: This course will be held at the DoD Professional Training Facility located in Southbridge, MA from Apr 7 – 11, 2003. Cost to attend this course would be

travel, partial per diem, and rental car (if authorized). Hotel accommodations are provided at no cost to you or your agency.

The Applied Benefits Workshop (ABW) is targeted for human resources specialists who have a minimum of one year's experience in benefits or have attended the FAS RSBP course (or comparable course). This four-day course provides an advanced workshop in the following modules:

- Federal Benefits and Life Events
- Annuity Computations
(concentrating on unusual cases, such as part-time employees)
- Special Retirement Systems
(firefighters, law enforcement and air traffic controllers)
- Reemployed Annuitants
- Non-Appropriated Fund Portability Issues and Retirement Calculations

This workshop will be held in Arlington, VA:

Feb 24 – 28, 2003
May 12 – 16, 2003
Aug 18 - 22, 2003

To sign up for these classes, register online at

http://www.cpms.osd.mil/fas/benefits/pdf/fas_course_reg.html.

If you are interested in hosting one of these courses at your location, email your request to:

mailto:fas_benefits_trng@cpms.osd.mil



Pay and Hours Of Work

pay@cpms.osd.mil

Combat Zone Service

The FAS Pay & Hours of Work Section is often asked if pay received by civilian employees while assigned to a combat zone is exempt from Federal taxes. The answer is “no.” Only members of the U.S. Armed Forces serving in a combat zone are entitled to an income tax exclusion.

The President, under the authority of the Constitution and section 112 of title 26, United States Code, may designate certain geographic locations for the purpose of exempting certain pay for members of the Armed Services from taxation. There is no similar legal authority to exempt the pay of civilian employees.

Staffing and Development

staffing@cpms.osd.mil

Delegated Examining Unit (DEU) Authority-Extension Procedures

Each DEU is responsible for requesting an extension of its examining authority well before the authority expiration date. Requests should be submitted to the Field Advisory Services (FAS) office no later than two months before the current

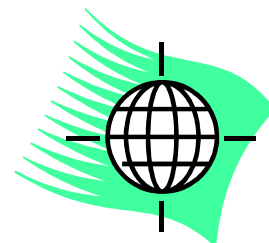
delegation expires. Extensions are normally issued for a two-year period.

Unless the DEU has been evaluated by CPMS in the past year, one of the following must be included with the requested extension:

- an annual self-assessment report performed by Office of Personnel Management (OPM) trained and certified personnel staff not assigned to the DEU conducted within the last year; or
- an OPM evaluation report for an audit conducted within the last year.

In activities where the FAS Staffing and Development Branch has performed a Staff Assistance Visit (SAV) in the past year to evaluate the delegated examining operation, no self-assessment or OPM evaluation report is needed with the request for extension.

DEUs requesting authority extension should follow required Component endorsement procedures before submitting the request to FAS. Extension requests may be faxed to (703) 696-3381 (DSN 426-3381) or mailed to the Civilian Personnel Management Service, Field Advisory Services, Staffing & Development Branch (Attn: DEU Oversight), 1400 Key Blvd., Suite B-200, Arlington, VA 22209-5144.



Labor Management and Employee Relations

labor.relations@cpms.osd.mil

Excepted Service Appeal Rights

We have received numerous inquiries concerning excepted service appeal rights, specifically concerning the meaning of “current continuous service” and “similar positions” as prescribed in the law.

5 USC 7511(a)(1)(B) and (C) define employees in the excepted service who have adverse action appeal rights to the Merit Systems Protection Board. Two elements must exist for the Board to assert appellate jurisdiction. First, the appellant must meet the statutory definition of “employee” within the meaning of 5 USC 7511(a)(1), and second, the action must be covered by 5 USC 7512 (removal, suspension for more than 14 days, reduction in grade or pay, or furlough for 30 days or less). The appellant has the burden of proving by a preponderance of evidence that the Board has jurisdiction over his or her appeal (See 5 CFR 1201.56(a)(2)(I) (2002)).

Under 5 USC 7511(a)(1)(B), an employee with veterans’ preference (reference 5 USC 2108) must complete at least one year of current continuous service in the same or similar position in an Executive agency to be eligible for appeal rights to the Board. A two-year period is required for non-veteran preference employees under 5 USC 7511(a)(1)(C).

The phrase one or two years of “current continuous service” under 5 USC 7511(a)(1) pertains to the period of employment immediately preceding the adverse action. “Current” service is the period of employment during which the adverse action took place, and it is only this service, not any earlier service, that the employee is required to establish as “continuous” (See *Wilson v. MSPB*, 97-3073 (Fed Cir 1997)). Current service is “continuous” within the meaning of 7511(a)(1) if there is no break in Federal civilian employment of one workday. (See 5 CFR 752.402(b) (2002))

“Similar positions” under 5 USC 7511(a)(1) are positions in the same line of work where duties performed are similar in nature and character and require substantially the same or similar qualifications (See also 5 CFR 752.402(g) (2002)). The Board has long adopted this same line of work requirement in determining “similar positions.” In *Van Skiver v. USPS*, 7 MSPR 18 (1981), the Board interpreted that these positions are so similar they require the same qualifications, and insofar as the nature of the work is concerned, it would have placed the positions in the same competitive level for reduction-in-force purposes. This interpretation offers a conceptual explanation of “same line of work.” In resolving discrepancies between a position description and testimony of actual job duties, the actual duties performed are controlling (See *Gettings v. Air Force*, 48 MSPR 502 (1991)). The nature and character of the duties being performed also control the purpose or title of positions (See *Haning v. Marine Corps*, 31 MSPR 252 (1986)). Difference in grade

level may not determine that two positions are dissimilar (*Enocencio v. VA*, 79 MSPR 130 (1998)). The threshold issue of Board jurisdiction for appeal rights is complicated. For assistance on this issue, contact the FAS Labor Management Employee Relations Branch.

Civilian Assistance and Re-Employment (CARE)

<http://www.cpms.osd.mil/care>

Transition Assistance Authorities

The National Defense Authorization Act for FY 2003 (Pub. L. 107-314) signed into law on December 2, 2002, extends two of the Department's transition assistance authorities that benefit our employees affected by workforce reductions and restructuring.

- Federal Employees Health Benefits (FEHB) Subsidized Temporary Continuation of Coverage (5 U.S.C. 8905a(d)(4)) – authority was extended from October 1, 2003, to October 1, 2006, or to February 1, 2007, if a specific RIF notice was issued before October 1, 2006. This authority allows civilian employees in the Department of Defense who are involuntarily separated, or voluntarily separated from a surplus position due to a reduction in force (RIF), to pay only the employee share of the FEHB premium during the 18-month benefit extension period immediately following separation. The

employee's former agency continues to pay the government share, plus the 2 percent administrative fee.

- Lump-Sum Payment of Severance Pay (5 U.S.C. 5595(I)) – authority was extended from September 30, 2003 to September 30, 2006. This continues the agency's authority to provide a lump-sum severance pay option for covered employees.

Injury and Unemployment Compensation Division (ICUC)

<http://www.cpms.osd.mil/icuc>

Training Courses

The Injury and Unemployment Compensation Division (ICUC) is planning two training conferences this spring. The conferences will be held in Southbridge, Massachusetts. These courses are designed specifically for Injury Compensation Program Administrators (ICPAs) to further develop their skills in administering the Federal Employees' Compensation Act (FECA).

The first course will be held during the week of April 27, 2003. Enrollment will be limited to 250 attendees. Sessions are intended for the experienced ICPA.

During the week of June 2, 2003, ICUC will be holding the 3rd "Basic Injury Compensation" training conference. This conference is intended for Program Administrators who are new to the injury compensation program or those who have

less than one-year experience. Registration will be limited to 60 attendees. Lodging at the Southbridge training facility is free for eligible participants and the per diem rate is \$30.00 per day.

Information regarding both conferences is available on the ICUC website at: <http://www.cpms.osd.mil/icuc/>. You may contact your DoD Liaison for further information.

Office of Complaint Investigations (OCI)

<http://www.cpms.osd.mil/oci>

The OCI Mission

OCI was formed in 1993 to investigate or attempt to resolve the almost 4,000 EEO complaints that the Department of Defense (DoD) receives each year. OCI also reviews administrative grievances when requested.

OCI employs over 80 Investigators working from five field offices (Atlanta, GA; Columbia, MD; Dayton, OH; Sacramento, CA; and San Antonio, TX) and two overseas sites (Honolulu, HI and Schwetzingen, Germany). Our OCI Investigators have fully met all EEOC training requirements and typically have ten or more years of Federal personnel experience.

OCI also provides Alternative Dispute Resolution (ADR) services for formal EEO complaints. EEOC mandated ADR be

offered to all complainants in 1999; OCI has offered ADR services since its inception in 1993. OCI Investigators are certified mediators and they have unparalleled expertise in resolving EEO complaints. Though many agencies have excellent ADR programs of their own, having a third-party outside neutral party (OCI Investigator) attempt resolution at the formal stage of complaints, builds on the agencies' efforts at the informal level, and often results in resolution. Over the past several years, on average, OCI has resolved well over 30% of the cases we process. Using the midrange of costs factors established by OMB and EEOC, OCI ADR efforts enabled DoD to avoid over \$175 million annually in administrative costs.

OCI services are also cost effective to our customers at the individual base or activity level. We charge a flat fee of \$250 for each EEO complaint handled, which includes both ADR and investigative efforts. Private contractors typically charge \$2,000 – 2,500 per case for investigations. The OCI website, listed above, contains more information on how we process complaints and how to request our ADR or investigative services.

For questions or comments, contact Cheryl Wong-Ng, OCI Ombudsman at (916) 498-5332 (or email: Ombudsman@cpms.osd.mil) or for ADR services please call Kay Cole at (210) 221-2551.



Regionalization and Systems Modernization

<http://www.cpms.osd.mil/regmod>

Current DCPDS Change Control Board (CCB) Systems Innovation Subcommittee (SIS) Initiatives

The Systems Innovation Subcommittee (SIS) was established in March 2002, as an advisory committee to the Defense Civilian Personnel Data System (DCPDS) Change Control Board (CCB). The SIS is chartered to review, analyze, and recommend enhancements or additions to the DCPDS, the Department's enterprise-wide civilian HR information system.

The SIS is considering various initiatives as a result of Component interest. In particular, the SIS is reviewing an Electronic Official Personnel Folder (EOPF) solution, which would provide a system, designed to store, retrieve, and manage civilian OPFs through an electronic interface with DCPDS. The interface would streamline some of the HR processes currently performed by HR staffs, i.e., transfer of OPF related data between agencies, e-mail notifications to employees when new contents are added to their personnel folder, and file paper forms. The Business Case for EOPF supports an enterprise solution, indicating procurement through open competition. Proposals are being reviewed, with award anticipated in February.

Another ongoing SIS initiative proposes enhancements to Resumix, the DCPDS automated staffing tool, which would accommodate delegated examining requirements and archive recruitment files. The SIS is looking for an electronic solution that would give HR specialists the ability to employ Resumix to rate and rank external candidates and store recruitment files containing announcements, resumes, referral lists, and selection decisions for two or more years from the date of selection. An electronic solution using Resumix would provide Regional Service Centers with the capability to rate and rank external candidates more quickly and efficiently versus the more labor-intensive manual methods. An electronic solution would also give the RSCs the ability to create, search, and retrieve archived recruitment files when needed. The Business Case Analysis for this initiative was completed February 7, 2003, with the results subsequently being provided to the CCB.

Defense Civilian Personnel Data System (DCPDS) – Upgrade to Oracle Federal HR Release 11i

In May 2003, the Civilian Personnel Management Service will upgrade the Defense Civilian Personnel Data System to the latest release of the Oracle Federal HR application software, which is the commercial off the shelf (COTS) product upon which DCPDS was built. DCPDS will be upgraded to maintain currency with

the product and to take advantage of advances in the application software delivered by Oracle. With this upgrade,

the basic DCPDS application will become web-enabled, providing users with an enhanced user interface and easier navigation based on Oracle's web-based technology platform. The first major phase of this migration was completed in June 2002 with the upgrade of the Oracle Relational Database Management System (RDBMS) to release 8i. With the application upgrade to 11i in May 2003, the software migration will be complete.



CPMS EMPLOYMENT CORNER

CPMS job vacancies are posted on the Human Resources Operations Center (HROC) job opportunities web site at <http://www.hroc.dla.mil/onjams/splash.htm>

A handwritten signature in black ink, appearing to read 'J. Wachter'.

JAMES A. WACHTER
Chief, Field Advisory Services
Defense Civilian Personnel
Management Service

Social Security and Medicare Changes for 2003		
	2002	2003
Maximum Earnings Taxable	\$84,900	\$87,000
Credit of Coverage:	\$ 870	\$ 890
Retirement Earnings Test	\$11,280 (under age 65)	\$11,520
	\$30,000 (year individual reaches 65)	\$30,720
	No Limit After Age 70	
COLA for Social Security Recipients	2.6	1.4
Minimum Social Security Earnings Needed for substantial earnings	\$15,750	\$16,125
Formula for the Primary Insurance Amount (PIA)		
90% of the first \$606 of the average indexed monthly earnings, plus		
32% of the average indexed monthly earnings over \$606 and through \$3,653, plus		
15% of the average indexed monthly earning over \$3,653		
Maximum Social Security Benefit Worker Retiring at Age 65 in January	\$1,660 per month	\$1,741 per month
Medicare		
Part A (Hospital Insurance)		
Deductible (Per Benefit Period*)	\$812	\$840
Coinsurance	\$203	\$210 a day (61 st to 90 th day)
	\$406	\$420 a day (91 st to 150 th day)
Part B (Medical Insurance)		
Premium Per Month Per Person	\$54.00	\$58.70

* Benefit Period – The way that Medicare measures your use of hospital services. A benefit period begins the day you go to a hospital. The benefit period ends when you have not received hospital care for 60 continuous days. If you go into a hospital after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each benefit period. There is no limit to the number of benefit periods you may reserve.